



DEPARTMENT OF REVENUE
INDIANA GOVERNMENT CENTER NORTH

Departmental Notice #14

TO: All Indiana Licensed Cigarette Distributors

June 2002

This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this Notice is to provide general information about the increase in the cigarette tax.

Effective July 1, 2002 the cigarette tax rate will increase to \$.02775 per cigarette, which translates to \$.555 per pack of 20 and \$.69375 per pack of 25.

Because of the tax increase, you are required to pay a floor stock tax on all Indiana stamped cigarettes in inventory at midnight, June 30, 2002. If you are a stamping distributor, you must also pay the tax increase on all unaffixed Indiana stamps on hand.

The floor tax is for the difference between the new tax rate and the old tax rate. Utilize Form CIG-DIT to report the additional cigarette tax. Form CIG-DIT along with the remittance is due and must be postmarked by July 31, 2002.

In addition, the monthly Indiana Cigarette Tax Report (Form CT-5 and CT-24) for June must be cut off on June 30, 2002, even if you are a cigarette distributor who does not normally end their monthly reporting periods on the last day of the month. The same inventory figures used to complete the Floor Tax form must be used to complete your June Cigarette Tax Report.

Beginning July 1, 2002 the discount of 4% of the amount of the cigarette tax stamps purchased by the distributor has been reduced to 1.2%.

For questions about the cigarette Floor Tax form or general questions about the rate increase, call (317) 232-2282. Forms are available at: www.in.gov/dor/minute/

Kenneth L. Miller
Commissioner